

From: Charles Kauffman
Sent: Thursday, December 01, 2011 3:39 PM
To: DHCA Housing Policy
Subject: A Montgomery County - The Place Called Home Hearing Dec 1st 2011

Department of Housing and Community Affairs
Att: Stephanie Killian dhca.housingpolicy@montgomerycountymd.gov

Re: DHCA Montgomery County - The Place Called Home

Members of the Department:

Nothing contained here shall be interpreted as a statement of policy of any commission or other organization with which I serve or am affiliated.

PLEASE INCLUDE THE FOLLOWING COMMENTS IN THE RECORD OF THIS PROCEEDING.

THERE IS A GREAT NEED FOR AFFORDABLE HOUSING FOR SENIORS IN MONTGOMERY COUNTY. One of the highest priorities of 'empty nesters' is to live in a neighborhood near families and friends. However, older adults are showing more flexibility in their choices. The most profound change is where they choose to 'age in place'. Countering the popular paradigm of remaining in your old home - is the increasing desire to downsize and live in urban areas. Counties doing more to create housing that enhances the lives of 'empty nesters' are thriving. Montgomery County suffers from a lack of "affordable" rental housing. County government, long held hostage to its realtors, has given mere lip service to providing affordable rents and housing for its residents. Older adults favor high-rise apartments and duplex town houses that are "age friendly". They offer ease of maintenance, nearby shopping, more convenience, better transportation options and more walkability; they want liveliness, energy, a wealth of choices and easy accessibility. They like an intergenerational mix and they want their independence. Living without stairs is safer, maintenance is cheaper in multi-units, and since there is less need for driving and they can get by with one or no automobiles. A recent article in the Wall Street Journal cited Bethesda as one of the top ten "walkable communities" as is Arlington, Rockville, Friendship Heights and Tysons.

MONTGOMERY COUNTY FAILS TO GUARANTY AFFORDABLE HOUSING TWO MYTHS

Myth #1 Voluntary rent guidelines work. The present policy of the County to induce developers and landlords to voluntarily maintain stable rentals or condominium assessments and limit increases doesn't work. The true facts were reported in a recent article in the Gazette and they completely dispel this argument. Rent increases have soared far above current Cost of Living Indices. "Free market housing in Montgomery County" has totally failed to provide affordable rents. Moderately priced Dwelling Units-MPDUs provide affordable housing. The County policy on MPDU's is analogous to the sale of Initial Public Offerings in the stock market. There is "insider trading" and friends and family of developers get the first crack rather than those who really need affordable housing. Following the initial purchase benefits are short lived. Condominium assessments are not controlled and increase substantially over a short period of time. For retired seniors who need financial stability these units soon become "unaffordable". They are forced to sell and ironically after the first purchase subsequent sales prices are not controlled.

TWO SOLUTIONS

Jane Jacobs said "Old ideas can sometimes use new buildings. New ideas must use old buildings."

i. Michael Kimmelman's provocative article in the New York Times Nov.17th 2011 advocates retrofitting commercial buildings, loft buildings, offices, unused government offices, schools, and tenement housing to create a significant amount of small and affordable, well-located rental housing for our growing senior population to age in place, for students and workforce housing. These units can house one or two people who will eagerly swap space for small reasonably priced rentals, walkable to shops, parks, libraries, offices and public transportation. The need for truly affordable, accessible

housing is made more pressing by the explosive growth of our senior population. Such conversions are profitable and privately developed. Private developers usually respond quickly and favorably to simplified zoning, reduced taxes and stimulation incentives allowing density. Government must continue to control safety, zoning, building standards, upkeep and above all must maintain long term affordability. Regulation suggests parallels to the 1960's NYC "Artist in Residence" rules which allowed conversion of unused commercial lofts to residences and studios.

ii. Allow a limited number of small units to be constructed on floors of high rise condominium. Incentivize creation of these units through tax and space incentives. These groups of small, well designed units, with some elements of universal design would be owned and/or managed by a single entity which owns and rents those units and receives tax benefits in exchange for maintaining quality and affordable rents. Increases would be based on cost of living indices.

iii.
RENT STABILIZED HOUSING ATTRACTS BUSINESS AND ECONOMIC GROWTH. Montgomery County housing now is pricing itself out of the workforce market and will Continue to fail to compete with Fairfax VA and other surrounding Counties in attracting new business. Montgomery County needs to provide skilled, educated workers and industry needs these workers. Reasonably priced housing can attract workers who live here. High rents discourage workers from living here. Rent stabilization is not "welfare" - it can be the economic for Montgomery County. Our County Council and Executive should act because businesses need reasonably priced housing for their present workers and a viable source of nearby workers for growth. Reasonably priced housing is a key incentive in attracting business and industry to locate in an area. It's not going to come about "voluntarily". Montgomery County has almost everything to attract new businesses except reasonably priced housing. Adding industry will benefit developers and every business in Montgomery County. The economic benefits are indisputable. A rent stabilization policy increases development - it will only discourage a few rent "gougers". Rent stabilization is not a new idea a successful rent stabilization law has been in effect since 1980 in Tacoma Park. Respectfully submitted,

CHARLES KAUFFMAN

Charles Kauffman is an attorney, former Mid-Atlantic Director of the National Aging in Place Council and serves on the Montgomery County MD Commission on Aging. Full blog and bio can be found at www.kauffman.com

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